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April 29, 2004

JEAN BROCKMUELLER, CPA (Inactive)  
BUSINESS MANAGER

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in Minnesota

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in Minnesota and Iowa

† Also licensed to practice  
in Nebraska

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in Minnesota and Missouri

\*† Also licensed as a Certified  
Public Accountant

**VIA E-FILE TRANSMISSION**

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street NW  
Washington, DC 20423

RE: Bill of Sale – 94 5200 cu. ft. covered hoppers  
Our File: DM-100-05.BS

Dear Secretary Williams:

Attached hereto, in compliance with 49 CFR § 1177.3, please find a copy of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The document is a Bill of Sale, a primary document, dated April 9, 2004.

The names and addresses of the parties to the documents are as follows:

Secured Party: U.S. Bancorp Equipment Finance, Inc.  
13010 S.W. 68<sup>th</sup> Parkway  
Portland, OR 97223

Debtor: Dakota, Minnesota & Eastern Railroad Corp.  
140 N. Phillips Ave.  
Sioux Falls, SD 57104

A description of the equipment covered by the document is:

Ninety-four (94) covered hopper railcars, capacity 5200 cubic feet, bearing DME reporting marks in the DME 52000 series.

*Surface Transportation Board  
Bill of Sale - 94 Covered Hopper Railcars DME 52000 Series  
April 29, 2004 - Page 2*

Our STB account number for the required fee of \$30.00 is 22773.

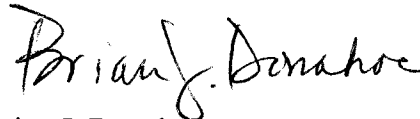
A short summary of the documents to appear in the index as described in 49 CFR § 1177.4(a) follows:

Bill of Sale – US Bancorp. Equipment Finance

Should you have any questions or require additional information with respect hereto, please do not hesitate to contact me.

Sincerely,

CUTLER & DONAHOE, LLP

A handwritten signature in black ink that reads "Brian J. Donahoe". The signature is written in a cursive, flowing style.

Brian J. Donahoe

For the Firm

Attorneys for Dakota, Minnesota & Eastern  
Railroad Corp.

BJD:lk

Attachments

cc: Gary Fish  
Stephen Callihan/Amy Driban



## BILL OF SALE

### Equipment Finance

Schedule Number 2101912A/002-109124-001  
Dakota, Minnesota & Eastern Railroad Corporation

U.S. Bancorp Equipment Finance, Inc., as successor in interest to FBS Business Finance Corporation by assignment from Norrail, Inc., (the "Seller") is in receipt of your payment and does hereby release, transfer and assign to Dakota, Minnesota & Eastern Railroad Corporation (the "Buyer") all Seller's right, title and interest in and to the following equipment (the "Equipment"):

**NINETY-FOUR (94) 5200 CU.FT. TROUGH HATCH GRAVITY GATE 100-TON COVERED HOPPERS; AS FURTHER DESCRIBED ON ATTACHED EXHIBIT A**

**TOGETHER WITH ALL PARTS, ADDITIONS, ACCESSIONS AND ACCESSORIES INCORPORATED THEREIN OR AFFIXED OR ATTACHED THERETO.**

The Equipment is in used condition. Seller is not a manufacturer nor distributor or merchant of, nor a dealer in such Equipment. Buyer has decided to purchase the Equipment based upon its own judgment and expressly disclaims any reliance upon statements made by Seller. Seller is not a position to have any special knowledge, or greater knowledge than Buyer in regard to the Equipment.

THE EQUIPMENT TRANSFERRED HEREBY IS TRANSFERRED "AS IS" AND "WHERE IS". THE SELLER MAKES NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS OF ANY KIND WHATSOEVER IN REGARD TO THE EQUIPMENT. THE SELLER HEREBY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES IN REGARD TO THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, THOSE OF MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR ANY PARTICULAR USE, OR OF QUALITY, DESIGN, CONDITION, CAPACITY, SUITABILITY OR PERFORMANCE.

By its acceptance of the Equipment, Buyer represents and warrants that it has fully examined and inspected the Equipment, and has not relied and is not relying upon Seller to assist it in any way in such examination or inspection, or in the operation, maintenance, service or repair of the Equipment.

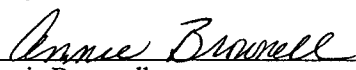
By its acceptance of the Equipment, Buyer further agrees that it has paid or will pay any and all applicable sales, property, excise, use and privilege taxes that may be imposed on Buyer or Seller by any Federal, State, City, County or other governmental authority upon the transaction accomplished hereby or upon the ownership or use of the Equipment, and hereby agrees to indemnify and hold the Seller harmless from and against any and all claims and liabilities (including, without limitation, costs and expenses) for such taxes from the date of this Bill of Sale forward.

U.S. Bancorp Equipment Finance, Inc. has assigned its rights (but not its obligations) regarding the sale of the Property herein to USBEF Exchange Co. as part of an IRC Section 1031 exchange. This assignment has no effect on your ownership, rights or obligations hereunder.

This is a final and exclusive expression of the agreement of the Seller and the Buyer in regard to the Equipment, and no oral statements, course of dealing, usage of trade, or course of performance shall be relevant to explain or supplement any provision of this Bill of Sale.

IN WITNESS WHEREOF, Seller has executed this instrument as of April 9, 2004.

U.S. Bancorp Equipment Finance, Inc., as successor in  
interest to FBS Business Finance Corporation by  
assignment from Norrail, Inc., [Seller]

  
Annie Brownell  
Collateral Specialist

# EXHIBIT A

## Equipment Description

5200 cu.ft. Trough Hatch  
Gravity Gate 100-Ton  
Covered Hoppers

## Car Numbers

DME52000  
DME52001  
DME52002  
DME52003  
DME52004  
DME52005  
DME52006  
DME52007  
DME52008  
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